

AT&amp;T

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## NEWSBRIEFS

**MCCAW CELLULAR WILL PROCEED** with an acquisition of the public shares of LIN Broadcasting at \$127.50 per share in cash. The cost of the acquisition is approximately \$3.3 billion. The business unit already owns 52 percent of the company.



**ABOUT 1,450 EMPLOYEES** and their family members turned out for Employee Night April 18 in Seattle. The pre-annual meeting festivities included a series of interactive and hands-on exhibits and presentations, and the Seattle Children's Theatre production of portions of a diversity play. (See page 3.)

**A CROSS-BUSINESS UNIT EFFORT WON AT&T** a \$120 million agreement to provide the United Arab Emirates Armed Forces with a telecommunications network. (See page 4.)

**IN MAY, ASIAN-PACIFIC AMERICANS** throughout AT&T celebrate their contributions to the United States and the world, and identify areas for change and growth. (See page 6.)

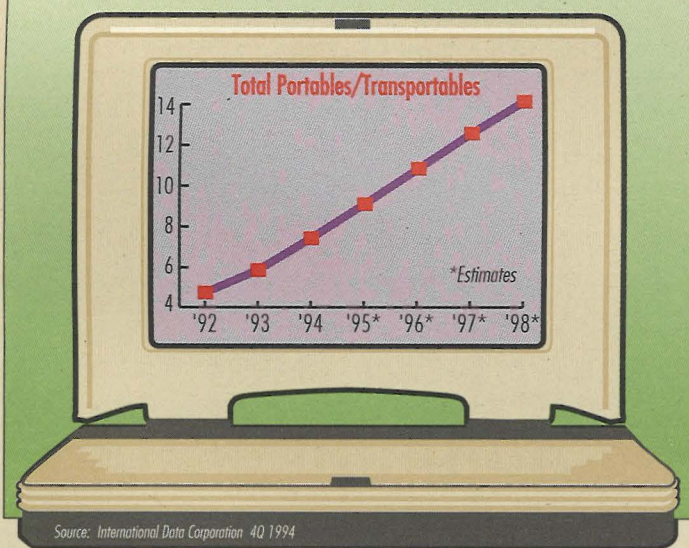
**AT&T'S ENVIRONMENTAL GOALS** for 2000 and the AT&T Champions of the Environment are presented in a Special Report inside.

## MARKETPLACE

Statistics That Are Shaping AT&T's Future

### Worldwide Portable/Transportable Computers 1992-1998

Units Shipped in Millions



DOLORES BEGO

## INSIDENEWS

- AT&T Asks the FCC to End its Classification as Dominant Carrier 5
- Women of AT&T Hold First Professional Development Conference 5
- Continental Airlines and GIS Launch Automated Ticketing System 7
- Two Employees Win Vail Recognition for Saving Lives 8

## Revenues, Net Income Up; Costs Also Grow in 1Q95

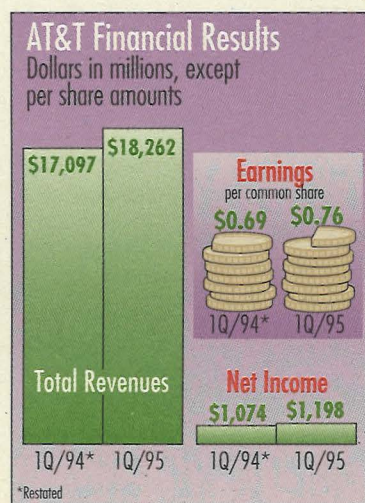
BY TOM LANDERS

AT&T USED THE BACKDROP of its 110th annual meeting of shareowners to announce its first-quarter financial results, which included strong revenue growth offset in large part by increases in costs and expenses compared with the same period a year ago.

First-quarter net income was \$1.198 billion, which is a nearly 12 percent increase over \$1.074 billion during the same period a year ago.

Commenting on the results before fielding questions from reporters at a morning news conference April 19 in Seattle, Chairman Bob Allen said, "We are determined to continue the profitable growth of this business."

Total revenues for the quarter, which historically is AT&T's weakest due to the seasonality of some of its businesses, climbed nearly 7 percent to \$18.3 billion,



financial services also showed double-digit growth compared with the first quarter last year.

"That doesn't mean the quarter had nothing but bright spots," said Allen. "We saw fierce competition in both our long-distance and product businesses. Nevertheless, there are many promising signs that we're off to a good start in what we hope will be another record-setting year."

Allen expressed disappointment with AT&T's stock price. "I don't believe that our stock price reflects our strong financial growth and, as important, our tremendous potential," he said. "It appears AT&T's stock price is suffering from short-term concerns affecting others in the industry. Wall Street also is assessing the hefty investments we're making in the future of the company."

Executive Vice President and Chief Financial Officer Rick Miller reminded financial analysts

—See UNIVERSAL, page 7

compared with \$17.1 billion in the first quarter of 1994.

Telecommunications services revenues, which now include part of McCaw's revenues, increased 4 percent to \$11.4 billion. Long-distance calling volumes grew nearly 8.5 percent compared with the same period in 1994. Product sales were up 11 percent and

## AT&T People Rush to Aid After Oklahoma Bombing

BY MARIANNE CARLTON

WITHIN HOURS OF THE massive explosion that took almost 170 lives and destroyed half the Alfred P. Murrah federal building April 19 in Oklahoma City, AT&T employees and retirees in the area were donating blood, food, clothing and blankets, and volunteering their services wherever needed.

AT&T Network Systems Group immediately donated \$10,000 to the Oklahoma Blood Institute to help defray the extraordinary expenses in delivering emergency blood services to people injured in the blast. "They were overwhelmed with our concern and with the speed of our action," said LaDonna Peterson who, as blood drive chairperson at the Oklahoma City Works, delivered the check. The Works, which employs 4,100 Network Systems people and manufactures the 5ESS switch and Subscriber Loop Carrier system



AT&T donated cellular phones and service to help workers communicate during the rescue efforts at the Murrah federal building, above.

products, donated 800 pairs each of leather gloves and safety glasses for use by emergency workers searching the rubble for survivors. No AT&T employee was hurt, but several lost immediate family members, relatives and friends.

—See EMPLOYEES, page 3





## AROUND AT&T

**NEW COMPUTERS—Global Information Solutions** has introduced a line of 12 computers for the home and office that range from laptops to mini-towers. They include four desktop Globalyst PCs, two Globalyst notebooks, and six Pentium® PCs. The computers will offer some or all of the following features: pager messaging; a personal communications center that supports Caller ID, a multiple mailbox and a full duplex speakerphone; document conferencing by means of *Vistium Share* software; an AT&T Data/Fax/Voice Modem; and free trial subscriptions to on-line services such as CompuServe and America OnLine.

**MORE REWARDING—Consumer Communications Services** customers now can redeem their AT&T *True Rewards* points for frequent-flyer miles on British Airways—which has one of the largest route networks of any airline. AT&T True Rewards is a flexible reward program for consumers who spend \$25 or more a month on qualifying AT&T calls. Program members can earn points redeemable for savings on AT&T calls, checks, frequent-flyer miles and a variety of other redemption options. To join True Rewards, call 800-TRUE USA.

**TOLL-FREE DIALING—Business Communications Services** announced *USADirect* 800 Service that will allow callers in more than 130 countries to dial the AT&T 800 numbers of businesses in the United States. With the service, U.S. companies for the first time will be able to offer callers outside the United States toll-free access to their domestic AT&T 800 numbers from any or all of the countries which can access AT&T USADirect Service. Businesses can choose to accept all of the charges for toll-free calls, or only the domestic portion, depending on their business needs.

**WEBMASTER—AT&T's Web Site on the Internet** was listed No. 5 in *Interactive Age's* "100 Best Business Web Sites." Praising the features of AT&T's Web Site, the magazine wrote, "In addition to in-depth product information for its business and consumer users, this sharp-looking site features a few extras—including a storybook feature and some interesting microscopic photos that enlarge when clicked. The site is thoughtfully laid out and better organized than most. It could use more e-mail links instead of toll-free voice references."

Web sites belonging to the *San Jose Mercury News*, Starwave Corp., Time Warner, and Netscape Communications Corp. finished ahead of AT&T. Behind AT&T were Novell, Apple, Compaq, and Sun Microsystems and internet-MCI. Traffic to AT&T's web site (<http://www.att.com>) more than doubled the day the list was published.

**NUMBER PLEASE—Consumer Communications Services** introduced a new service that allows callers to obtain domestic and international long-distance phone numbers simply by dialing 900-555-1212.

With the service, "Directory Assistance for Any Distance," customers won't need to know area codes or country codes to get telephone numbers or addresses—just the city and state or country. Customers can be automatically connected to the person they're calling at no additional charge, rather than having to hang up and then dial the number. The cost of the service is 75 cents for up to two domestic listings and \$1.99 for one international listing, during an introductory period.

**INTERACTIVE SOLUTIONS—Time Warner Entertainment** will become a 10 percent owner of Interactive Digital Solutions, a joint venture company of Silicon Graphics Inc. and AT&T Network Systems Group, which provides integrated, multimedia software environments to enable interactive services.

The deal will combine Time Warner's programming and entertainment expertise with AT&T and Silicon Graphics capabilities in visual computing, networking and interactive communications. Part of the transaction involves Time Warner's contribution to Interactive Digital Solutions of intellectual property rights to certain software used in its Full Service Network™.

**ISO CERTIFIED—Network Systems Engineering Services** has become one of the first full-service telecommunications engineering organizations to achieve registration to the international ISO 9002 quality standard.

This registration distinguishes Network Systems Engineering Services as a stand-alone, full-service provider of engineering services. It assures customers that Network Systems' global engineering processes meet the highest standards for opera-

tions, and eliminates the need for them to conduct their own costly audits of Network Systems' engineering services.

NS Engineering Services join a long and growing list of AT&T organizations that have achieved registration to various ISO 9000 standards. These range from AT&T Bell Laboratories development groups and Network Systems manufacturing facilities to materials management locations and customer service organizations in the United States, Europe and Asia.

**BENZ CONTRACT—Business Communications Services** has won a five-year, \$45 million contract with Daimler-Benz Purchasing Coordination of North America Inc. to provide voice and data services to the Daimler-Benz affiliates in the United States. Daimler-Benz will use the AT&T network to link its subsidiary companies in the United States and around the world.

The agreement combines domestic and international AT&T Software Defined Network service, toll-free 800 services, and a range of data services including Software Defined Data Network for video.

**GETTING SMART—AT&T Smart Cards** and Lockheed Martin have teamed up to develop and market smart-card solutions to customers who require tight control of building and information access.

The two companies will promote security solutions that include the smart card and smart-card readers customized to accommodate customers' security needs. Invented by AT&T Bell Laboratories, AT&T Smart Card can store the picture, voice print, fingerprint, signature or other information unique to an individual.

"Government, military, industrial and other institutions that need tight security can benefit from the virtually counterfeit-proof capability of the AT&T Smart Card. Because of the one-of-a-kind information that the card can store, it is almost impossible for anyone other than the card owner to use it," said John Bermingham, president, AT&T Smart Cards, a strategic business unit of AT&T Consumer Products.

AT&T Smart Card applications are being tested by Chemical Bank for ATM and prepaid retail transaction cards, and the Delta Shuttle for ticketless boarding. GiroVend Holdings Ltd. is using smart cards for cashless vending machine operations on university and corporate campuses.

## GLOBAL VIEW

### CHINA

**BEIJING—WIRELESS COMMUNICATIONS PRODUCTS** introduced the world's most advanced second-generation cordless (CT2) handset, the AT&T Digital Pocket Phone, to the growing consumer market here. The AT&T Digital Pocket Phone, conforming to the China frequency requirements, is the lightest CT2 handset now available. The Digital Pocket Phone is backed by AT&T Bell Laboratories. AT&T also announced a contract with Huaxun Communication Group, to be the distributor of the first AT&T Digital Pocket Phone handsets in the city of Shijiazhuang, Northern China, where the CT2 Telepoint network will be operational in July. The AT&T Digital Pocket Phone is ideally suited to the telecommunications environment in China and Asia, where cordless technology is spearheading communications development in rural and urban areas.



### POLAND

**WARSAW—BUSINESS COMMUNICATIONS SERVICES**, in cooperation with Polish telecommunications carrier TP S.A., launched Poland's first terrestrial digital service to the United States. The World Bank is the first customer to take advantage of AT&T International ACCUNET Digital Service in Poland. Used by multinational corporations for high-speed voice and data communications, International ACCUNET Digital Service enables businesses to transmit high-volume information, virtually error-free, between networks in the United States and 30 other countries. The World Bank also uses International ACCUNET Digital Service between its U.S. operations and operations in China, Russia, Brazil and Indonesia. With it, World Bank can share computer data and hold teleconference meetings.

### SINGAPORE

**CONSUMER PRODUCTS** has signed an agreement to sell its consumer telephone manufacturing assets in Singapore to Sinoca Electronics Group of Singapore. The parent company, Sinoca Enterprises Co. of Taiwan, has been an AT&T original equipment manufacturer (OEM) since 1987. AT&T also has agreed to a stock purchase by Sinoca of PT AT&T Consumer Products Indonesia, which currently manufactures cordless telephones and answering machines. As a result, 525 of the 600 employees in Singapore and all 1,300 Batam (Indonesia) employees, will be offered employment with Sinoca on similar terms and conditions to those they had with AT&T. The other 75 employees will be transferred to the AT&T Consumer Products Regional Product Realization Center and Core Operations Group that serves as a regional manufacturing R&D/technology base. As part of the sale agreement, the two Sinoca factories in Singapore and Batam will become OEM suppliers to AT&T for the next two years.

### NORTH KOREA

**AT&T'S LATEST GLOBAL NETWORK ACHIEVEMENT** was heralded in full-page newspaper advertisements in mid-April. "Go ahead, ask for the world," coaxed the headline. "Other companies offer you the world. Only AT&T delivers it."

The ad proclaimed the addition to the network of the only remaining country in the world—the Democratic People's Republic of Korea—that could not be reached from the United States by telephone. By providing consumer and commercial long-distance service, AT&T became the first U.S. long-distance company to offer a truly global communications network. Ads also ran in Korean-language newspapers to educate consumers about placing calls to North Korea.

As a result of a U.S. government economic embargo since 1950, North Korea had been the lone country not reachable from the United States by international long-distance service. In January 1995, the U.S. State Department announced changes in U.S. policy that allowed telecommunications services to be provided to North Korea for the first time.

"We are pleased that we now can provide service to help people in the United States and North Korea get in touch with special people in their lives," said Shaun Gilmore, vice president, Global Markets and Services, AT&T Consumer Communications Services. "With our service to North Korea, AT&T becomes the first long-distance company to offer service from the United States to every country in the world." MCI offered services soon after.





Bob Allen greets Collette Hooper during Employee Night in Seattle. Collette and Catherine, right, are daughters of Steve Hooper, center, president, AT&T Wireless Services.

## AT ANNUAL MEETING

# Allen Calls AT&T Start-Up In Global Information Game

BY TOM LANDERS

LIKENING AT&T TO A START-up company, Chairman Bob Allen told 1,170 AT&T shareowners at the 110th annual meeting April 19 in Seattle, "Our qualifications as a start-up are based on the size and potential of the global information industry. This is a \$1.5 trillion industry today. AT&T, big as we might be, only has five percent market share, so there's lots of room to grow. This industry is expected to double in size within the next ten years. We are in a strong position to lead that growth, and grow value for our investors at the same time."

Allen said his confidence in AT&T is based in part on such measurable resources as the skills of its people, its unmatched R&D capability, its financial depth, its unique portfolio of service and product businesses, and the strength of the AT&T brand.

### Strategic Advantage

"But my confidence also is rooted in the fundamental change that's sweeping through this industry," he said. "The vast change in this industry is a strategic advantage for AT&T—if we use our full potential to make change work for us. The enormity of the changes under way overshadows anything we've experienced—divestiture included."

Allen said the changes are grouped in three major areas: the structure of the U.S. telecommunications industry, the globalization of the industry, and the explosion in technology that people associate with the Information Superhighway.

"Our future doesn't lack for fundamental changes, long- or short-term. But we should be very clear about one thing up front," he said. "AT&T stands to gain far more from these changes than we stand to lose."

Allen said as the company encounters this change it will enjoy a strategic advantage by having fundamental values as a company, the values captured in Our Common Bond.

"There are huge opportunities out there, but taking them won't be easy," said Allen. "It will mean a committed effort from everyone at AT&T. We have to build on last year's strong record by making our company even more nimble. We have to be responsive to customer needs. But even more than that, we have to be out front and anticipate how communications and computing can help specific customers."

On the meeting's business agenda, a directors' proposal concerning a McCaw Employee Stock Purchase Plan was approved with 70 percent of the shares outstanding voting in favor. Two shareowner proposals—to publish in major newspapers a detailed statement of political contributions made by the company and to adopt a two-candidate elective process for each directorship—were defeated.

### A Welcome and a Challenge

The evening before, employees and members of their families turned out in record numbers for Employee Night festivities. About 1,450 people viewed the company exhibits and heard Seattle Mayor Norm Rice welcome Allen and

the annual meeting to his city. Among the highlights was a series of interactive and hands-on exhibits and demonstrations and the Seattle Children's Theater production of scenes from a diversity play titled, "Little Rock."

Allen spoke to the group, approximately half of which was made up of AT&T Wireless Services and McCaw employees.

"Tonight is my first chance, in person, to welcome the men and women of McCaw into the AT&T family," Allen said. "To the McCaw folks, I say welcome aboard. And to the AT&T people who have been working in Seattle since long before our merger, I say thanks for the spirit with which you've embraced this big family addition."

After describing Seattle as a pioneering kind of city, Allen said: "I believe you, the men and women of AT&T, are poised to write the next big chapter in Seattle's history. You're at the very center of the wireless communications movement—the fastest-growing segment of the telecommunications industry. Whether or not you're part of AT&T Wireless Services, you're on the team that's the leading player in the hottest game our industry has to offer."

"Together we can meet even the highest expectations of the most demanding customers. We all share a vision of linking people, not places—anytime, anywhere. We share leadership in the technologies that are revolutionizing the way people live, work and learn. We share fundamental values. And we share tremendous opportunities for the future." ■

## Employees, Retirees Join Hands to Help

continued from page 1

The Thunderbird Chapter of the Telephone Pioneers of America, whose members work at or are retired from the Works, has donated more than \$5,000 to date and has collected nonperishable food items, cleaning products and other goods. Many Pioneers are volunteering at blood centers.

Neither AT&T's network nor its 4ESS switch in the city was affected by the blast, but the flow of calls into the area was slowed as AT&T Network Services Division managers at the Network Operations Center in Bedminster, N.J., assisted Southwestern Bell in giving preference to calls going out of the city.

Cellular One, an affiliate of AT&T Wireless Services, provided federal authorities, the American Red Cross and other emergency groups critically needed mobile communications with a donation of 1,000 cellular phones, and an average of \$1 million a day in free local cellular and long-distance services. To help Cellular One increase capacity and service, Network Systems Columbus Works built and shipped two cell sites over one weekend.

Two hundred Cellular One employees have been supporting emergency efforts. Some of the phones and Cellular One employees have been assigned to the First

Christian Church in the city, where families of missing victims are receiving counseling.

Many other AT&T business units, including Government Markets, Consumer Communications Services, Business Communications Services, Capital Corp., Global Business Communications Systems, Corporate Security and Global Information Solutions, scrambled to help the government and other customers get emergency equipment or temporary work space. GBCS associates in Denver shipped four *DEFINITY* systems to Oklahoma City when they heard the news.

In thanking AT&T for its outstanding efforts in support of its federal government clients, Oklahoma City-area General Services Administration (GSA) director Sylvia Hernandez said, "It's very comforting to me that AT&T was first on site," noting that re-establishing communications for GSA was of first importance. "I'm proud of the way you have come in and offered to get us even far more than what you ordinarily provide." ■

The Thunderbird Pioneer Chapter is coordinating a relief fund. To contribute, make out a check to: AT&T Pioneers, P.O. Box 26060, Oklahoma City, OK 73126-0060.

## Eyewitness Accounts

Sharon Miller was reading her e-mail that April morning when the explosion heard around the world destroyed the peace of America's heartland. As the floor shook and the housing of the building's windows vibrated, Miller's first thought was of an earthquake, then a sonic boom—magnified several times.

"It was so loud, that even our customers placing calls through the operators here heard it over the phone," said Miller, resource manager, Operator Call Servicing, Consumer Communications Services. Located on the 13th floor of Southwestern Bell's building—only a block-and-a-half away from the blast—it didn't take long for Miller and her colleagues to see what had happened.

"It looked like a war zone," Miller said. "Part of the roof was ripped off a nearby building; people were running in the streets, cars were on fire." The 31 AT&T operators on duty and Network Services Division employees also in the building were immediately evacuated. The call traffic usually handled by the Oklahoma City operators was rerouted through offices in Dallas and Phoenix for the five days employees were not permitted in the building. "The most frustrating thing for us was not being able to be at our jobs, helping with the calls going in and out of the area," said Miller.

Among the people working at the scene was Oklahoma City Works Fire Chief Leroy Adams, who also is an emergency medical technician. "All medical personnel were called in to help," said Adams. Oklahoma City Works Medical Director Peyton Osborne and nurse Booky O'Hara assisted at nearby hospitals.

Nothing short of war could have prepared Adams for what he saw. "The building had been a block long and as far up as you would want to look," Adams said. "It had been demolished. We were awestruck at the devastation. Medical workers were working frantically to help people who had been hurt. It was terrible to see babies being placed on stretchers."

Because of repeated bomb threats, many volunteers like Adams were turned back from the site and placed in a triage area several blocks away. "It is something I never want to experience again."—M.C.



# Cross-BU Effort Wins Big Sale in Middle East



Emil Eid, left, and Michael Gossmann proved that working across business units as a team is the best solution for the customer and for AT&T.

BY OLLIE HARTSFIELD

EMIL EID SPEAKS WITH conviction when he discusses what he believes is the key to AT&T's success in the global marketplace. "It's business units working together whenever possible to present a 'one AT&T' solution to customers. And it's moving the decision-making process closer to the customer," he says.

This is especially important outside the United States where AT&T is not well-known and the business unit concept confuses many customers.

Eid, general manager, AT&T Network Systems International, Gulf Region, has seen how this approach benefits the individual business units, the company, and particularly, the customer. More important, he's proven the truth behind the words.

Because of a cross-business unit effort led by Eid, AT&T recently won an agreement with the United Arab Emirates Armed Forces to supply a complete telecommunications network across the United Arab Emirates—the second largest market in the Gulf States, next to Saudi Arabia. The project, expected to be completed in about four and one-half years, is valued at \$120 million.

The original bid, submitted by Network Systems two years ago, was only for the transmission network that would link military bases across the United Arab Emirates. But when Eid learned the customer also wanted to con-

nect a communications system to the network, he realized the most cost-effective and efficient solution for his customer was to have one company provide the complete telecommunications network. Eid also knew AT&T was the only company with the breadth of products and services to build such a network.

The customer already had specified in the tender document that either Northern Telecom or

Alcatel would supply the communications system. But Eid did not give up. He set out to show the customer the advantage of using AT&T for the entire project.

With the assistance of his colleague, Michael Gossmann, regional manager, Multimedia Products Group, Gulf Region, Eid showed the customer the benefits of the *DEFINITY* Communications System. When the customer expressed concern that the

AT&T Global Business Communications Systems (GBCS) product did not support some military features, Gossmann consulted with the AT&T Bell Laboratories developers supporting GBCS to figure out what modifications could be made to meet customer requirements. AT&T Paradyne also worked with Network Systems International to supply the multiplexers needed to complete the solution.

together on a project," says Gossmann. That's the "one AT&T" that customers want.

When the bidding was over, AT&T had won an agreement to supply a Network Systems Synchronous Digital Hierarchy (SDH) fiber network that includes land and undersea cables, and SDH terminals; Paradyne *Acculink* multiplexers; digital access cross-connect systems; network management systems, and *DEFINITY* systems.

For Network Systems, the project is the latest in a series of successes in the Middle East and Africa that show the progress the business unit is making in the region. For GBCS, the project represents one of the largest communications system sales outside the United States, and positions the business unit well for future sales.

But Network Systems, GBCS and Paradyne are not the only beneficiaries of this agreement. In the days after the agreement was announced at the International Defense Exhibition trade show in Abu Dhabi, attendance at the AT&T exhibit booth mushroomed from an average of 30 people a day to several hundred a day. "This agreement opens up tremendous opportunities not just for Network Systems, but for Business Communications Services-Government Markets, and Datotek, its subsidiary for secure communications, as well as for AT&T Global Information Solutions and other AT&T units," says Dick Brandt, vice president, Network Systems International, Middle East and Africa.

"AT&T's strength is that we can give customers an end-to-end solution based on state-of-the-art technology," says Eid. "But, we must work as a team to make it happen." ■

**"AT&T's strength is that we can give customers an end-to-end solution based on state-of-the-art technology."**

—Emil Eid

During it all, Eid remained the lead person dealing with the customer. "One of the biggest complaints from AT&T customers is that they too often must deal separately with several business units to get one system or service," says Gossmann. "In this case, Network Systems took the lead and GBCS and Paradyne lined up to support Network Systems' efforts."

Such working relationships are not unusual for the business unit representatives in the Middle East/Africa region. "We often look for ways we can work

## NSG Wins \$20M ISDN Contract From GTE

BY ROGER FRIZZELL

IN AN EFFORT TO BRING Integrated Services Digital Network (ISDN) to customers in more than 20 states, GTE recently awarded AT&T Network Systems Group a \$20 million contract to add 60,000 lines of ISDN service to its network. The agreement follows a \$40 million network investment made last year by GTE with Network Systems to deliver ISDN software and hardware to GTE's major markets.

"We're working with GTE to provide ISDN for customers ranging from a small pizza business to major corporations. With this contract, GTE and Network Systems will make ISDN available to rural communities throughout the nation," said Scott Baker, switching account manager, GTE Global Business Unit, Network Systems. "We're becom-

ing GTE's ISDN partner in its plans to grow its ISDN market to the next level."

GTE's success with ISDN in recent months has been phenomenal—due, in large part, to the joint sales efforts by Network Systems people and the *5ESS* switch. In 1995 alone, GTE completed a number of major ISDN installations with such customers as the City of Thousand Oaks, Calif., the University of Idaho, Texas A&M University, and NBD Bank (formerly the National Bank of Detroit.)

In Tampa, Fla.—where GTE has installed more than 2,500 lines of ISDN through *5ESS* switches—ISDN is becoming a whale of a story, with ISDN being used at the Florida Aquarium to transport video and data.

Even the U.S. Post Office in Tampa is getting into the ISDN act to help improve customer service. ■

### ISDN—Coming of Age

From the small home office to the major corporation, businesses are beginning to depend upon a 10-year-old technology called Integrated Services Digital Network (ISDN). ISDN—a technology standard allowing local telephone companies and long-distance carriers alike to transport slow-scan video, data and voice simultaneously over a single copper telephone line—is coming of age.

Once expected to be one of the "killer" technologies of the '90s, ISDN has instead emerged as a behind-the-scenes backbone technology for many of today's telecommunications services such as video teleconferencing, work-at-home, distance learning and data networking.

But the best may still be ahead for ISDN—which is good news for many AT&T divisions which provide both ISDN equipment and ISDN services. With the explosion of on-line multimedia services, especially the Internet, and the increased number of telecommuters, ISDN is stepping into the forefront again as more and more people simply want better digital connection to corporate information and on-line services.

Today, for example, Network Systems Group has installed more than 1 million ISDN lines throughout the nation.





Helping to make the WATT Conference a success were clockwise, from top: Monica Mehan, American Transtech; Suzanne Nagel, Engineering Research Center; Moe Grzelakowski, Network Systems; Sharon Williams, Chief Financial Officer organization; Rose Martin, Chicagoland WATT president; Pat Sciacca, WATT president; Helen Bauer, Network Systems; Lisa Sallstrom, 1995 WATT conference chairperson; Yvonne Shepard, Domestic Consumer Communications Services.

## WOMEN OF AT&T

# More Than 1,000 Attend First WATT Conference

BY JEAN PASCUAL

MORE THAN 1,000 AT&T women crowded the hotel ballroom for the first Women of AT&T (WATT) Professional Development Conference March 30 and 31, in Oak Brook, Ill.

In her introductory remarks, Pat Sciacca, president, WATT, and member of technical staff, AT&T Bell Laboratories, Columbus, Ohio, recalled the time two years ago when she and several co-workers in Columbus saw the need for women to add their unified voice to those of other employee resource groups. Sciacca also recognized Roseanne Antonucci, director, Chief Financial Officer organization, who provided counsel and inspiration during the time it took to officially establish WATT.

Most speakers at the conference stressed the point that full utilization of everyone's potential is essential to AT&T's success. Three common messages recurred throughout most of the speeches and informal comments: women need to support and celebrate each other's diversity; women and men need to become sensitive to each other's workplace issues; and individuals need to look within for a solution before pointing a finger at someone else.

In the conference's opening speech, Karl Martersteck, vice president, AT&T Architecture, Bell Laboratories, discussed why a women's employee resource group is needed. He related an incident that occurred when his daughter, Anne Marie, was five

years old. The only girl among five brothers, she was told she could not have the biggest piece of pie: "Because Father always gets the biggest piece."

"A big tear rolled down her cheek," said Martersteck, "and she said, 'That means I'll never get the biggest piece.' Thus my commitment to diversity was born."

Martersteck is a member of the Diversity Quality Council—and Anne Marie is now an engineer with General Electric.

Yvonne Shepard, director, Domestic Consumer Communications Services, Basking Ridge, in her keynote speech, reminded conference participants that activists who preceded them paved the way to today's improved salary and career conditions, and warned attendees against complacency. "If we determine that we have common objectives as women, then we are going to have to rely on each other and stand up for each other, regardless of race, income, religious beliefs, sexual orientation or physical ability," said Shepard.

Seven women executives who participated in a panel discussion, "Insights for Success," elaborated on strategies for breaking through the glass ceiling. Pat Russo said that it wasn't a solid career plan that led to her position as president, Global Business Communications Systems. "In April of my senior year in college, I realized I probably wasn't going to be a June bride, so I had to get a job. Two months later I was counting inventory at a retail store." Her point, she

explained, was that career planning is important, but it has to be flexible so it can adapt to changing situations.

Among the handful of men at the conference was Jose Antoniano, technician manager, Network Configuration Management Systems, Bell Laboratories, Columbus, who was there to fulfill a training requirement that he attend an employee resource group conference. "I encourage everyone to attend resource group conferences," said Antoniano. "I felt comfortable, but in one session I attended the speaker made a comment that stereotyped males. Another woman immediately defended men as individuals, and I was glad because I did not feel I was in a position to say anything."

Monica Mehan, president and CEO, American Transtech, Jacksonville, Fla., closed the conference with a presentation that spanned her 29-year career at AT&T. She offered the following "Six Rules of the Road," which she said came not from the popular how-to-be-successful books but from her own experience:

- Don't sell yourself short.
- Hard work still counts.
- Never be too arrogant to learn.
- No pain, no gain.
- Know yourself.
- Luck still counts.

For membership information contact Lynette Parker (attmail!lmparker) AT&T, Room 1L-236, 6200 East Broad Street, Columbus, OH 43213-1569. ■

## LEGISLATIVE UPDATE

# Justice Dept. Allows Ameritech L-D Trial

BY OLLIE HARTSFIELD

THE DEPARTMENT OF JUSTICE proposed last month a plan that would allow Ameritech, one of the seven Regional Bell Operating Companies, to offer long-distance service on a trial basis in the Chicago area and in Grand Rapids, Mich. Skimming the many newspaper and magazine articles covering the announcement, the public may have gotten the impression that Ameritech would be entering the long-distance telephone market any day now.

In reality, before Ameritech could offer long-distance service, it would first have to meet certain preconditions set by the Department of Justice to open Ameritech's local markets to competition. Some of those preconditions include allowing other companies to purchase local telephone access at competitive prices and resell that service to residential customers, and allowing customers to keep their telephone numbers if they switched to another local telephone service.

Chairman Bob Allen endorsed the plan. On May 3, AT&T filed

with state regulators for certification to offer local service in Chicago and Grand Rapids, Mich. "For some time now I have been calling for a responsible test of local exchange competition to see which technical, economic and marketing arrangements or conditions might make it happen," said Allen. "This arrangement is precisely such a test. And it gets the sequence right: first we see actual competition, and only then Ameritech may begin long-distance service."

But, Allen added, "I should make it clear that we do not regard this as a model for nationwide, sweeping legislation."

The Department of Justice proposal is an outgrowth of Ameritech's "Customer First" plan for opening its local market to competition as a precondition for offering long-distance service. Ameritech now is prohibited from offering long-distance service under the terms of the 1982 consent decree that divested the Bell Companies from AT&T in 1984.

The proposal must be approved by U.S. District Judge Harold Greene, who oversees enforcement of the decree. ■

## AT&T TO FCC:

# "We're Not Dominant"

AT&T IN APRIL PRESENTED new data buttressing a 19-month-old request that because of drastic changes in the long-distance industry during the past 15 years, it should no longer be classified a "dominant carrier" and should not be regulated more strenuously than its competitors.

In a special filing with the Federal Communications Commission (FCC), AT&T argued it has long since lost the attributes that led the FCC to determine in 1980 that the company had "market power" and should therefore face extra regulations. For instance, AT&T said customers changed long-distance carriers a record 27 million times in 1994—a 50 percent increase over 1993—demonstrating clearly no company has market power.

In a letter to the FCC accompanying the filing, AT&T Vice President Gerry Salemmme said "burdensome and unnecessary regulations add hundreds of millions of dollars of direct and indirect costs which ultimately must be borne by consumers." He urged the FCC to "act quickly" to consider AT&T's

1993 motion to end its dominant carrier classification, saying the public interest "is best served by eliminating needless regulatory impediments that serve to pick winners and losers when applied in a competitive market."

The new information includes an updated study showing that due to technical advances, AT&T's competitors have enough excess network capacity to quickly absorb one-third of AT&T customers' usage if the company were to price its long-distance services above competitive rates.

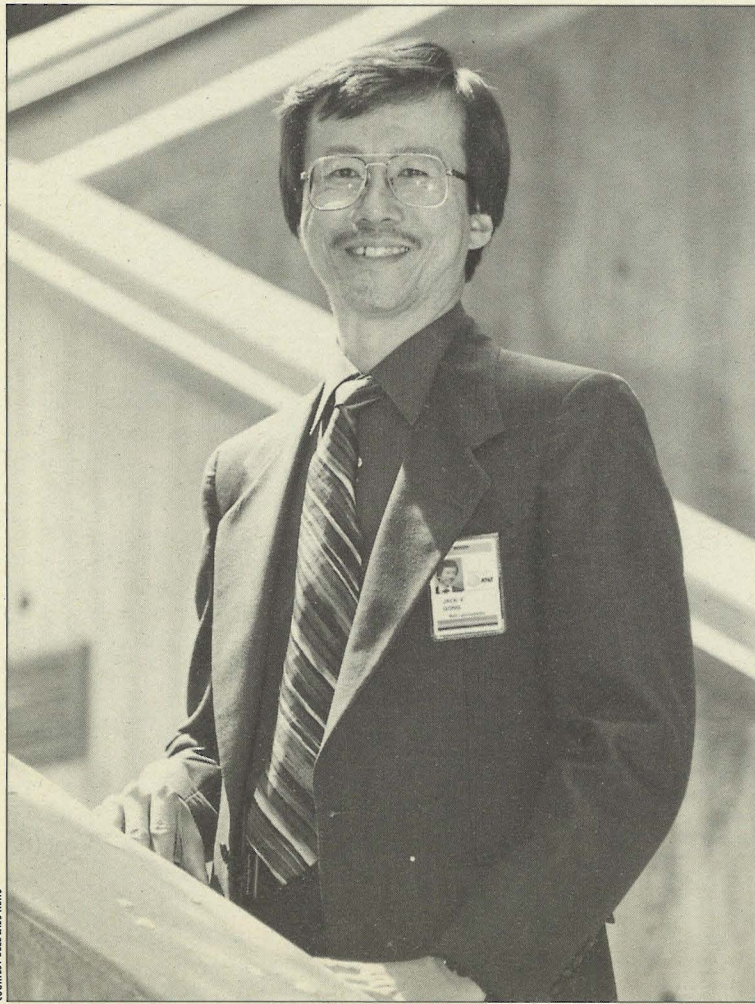
The filing also presents new data showing that competition in long distance is even more prevalent today than when AT&T filed its 1993 petition, with an estimated 458 long-distance carriers, nine of which serve 45 or more states and 126 regional carriers that serve four or more states.

"The residents of Moose, Wyo. (pop. 100), for example, can choose from a total of 18 different long-distance firms," AT&T said in its filing. "Clearly, consumers have abundant choices everywhere." ■



## ASIAN/PACIFIC-AMERICAN HERITAGE MONTH

## A/P Americans See Progress and Problems



As a member of AT&T's Diversity Quality Council, and president of 4A, Jack Gong is working to address issues facing Asian/Pacific-Americans at AT&T.

BY COLLINS YEARWOOD

MORE THAN HALF A CENTURY ago, Tom Kometani found himself in an American concentration camp. He and his family, and about 110,000 other people of Japanese ancestry, were forcibly interned by the U.S. government after the bombing of Pearl Harbor.

**"I would seriously challenge anyone who would say that Asians don't have good management and communications skills."**

—Jack Gong

Today, Kometani, member of technical staff, AT&T Bell Laboratories, Murray Hill, N.J., finds he often is regarded still as a foreigner, although he was born in the United States. He doesn't

dwell on his Japanese ancestry; but that doesn't stop others from imposing their preconceptions on him. Much as they did during World War II.

"I have a hard time feeling like an American when everyone keeps assuming I'm not," Kometani said. "People often ask, 'Where did you learn to speak English so well?' That's one of my pet peeves."

Members of AT&T's Asian/Pacific-American (A/PA) community continue to find themselves grappling with the question, "Do we fit in?" Jack Gong, president, Asian/Pacific-American Association of AT&T (4A), believes AT&T's U.S. employees of Asian/Pacific-American heritage face many challenges, the foremost being profile improvement and bridging the gap between A/PA cultures and AT&T's culture.

"There is underutilization of the more than 9,000 A/PAs in many parts of AT&T, and limited use of the Asian/Pacific-American community as a global resource," said Gong, manager, Facilities Engineering, Bell Laboratories, Murray Hill. According to Gong, stereotypes—such as Asians excel in math and science—can be an obstacle to advancement in other fields. In the United States, Gong said, Asians primarily are recruited for technical jobs. AT&T's research and develop-

ment community is where most of AT&T's Asian/Pacific workforce is concentrated. Gong would like to see "vertical and horizontal" diversity, in which A/PAs not only move up the ladder, but across all disciplines within AT&T.

"In Asian/Pacific corporations, such as Sony, Reliance Industries and Hyundai, Asians manage every aspect of business, and do it quite well," asserts Gong. "I would seriously challenge anyone who would say that Asians don't have good management and communications skills."

#### Dispelling Myths

Josephine Yuen, manufacturing director, SL Repeaters and Terminals, AT&T Microelectronics, Clark, N.J., has moved upwards and across functions not only because of her skills, but because others transcended their expectations of her as an Asian and as a woman. "The traditional image of the Asian female is that of someone who is passive, which is the antithesis of the management image," said Yuen. "If the image of you is not one of a leader, then people are not going to take a chance on you. Dispelling myths is often difficult for people because they view them as truths. The problem with stereotypes is that they prevent people from seeing who you really are."

Dispelling the "technical only" stereotype also is a responsibility of Asian/Pacific-Americans, concedes Kometani. "Part of that has to do with the Asian mindset," he said. "Most Asian cultures are nonconfrontational. It's considered bad form to directly confront people, and it's hard to shed that attitude. Rather than confront, we either remain silent or go somewhere else for opportunities."

#### Changing Expectations

Carl Hsu, Toll Switching, Voice and Signaling product group vice president, AT&T Network Systems Group, said that as he climbed the corporate ladder, he had to break free of the expectations of his colleagues. "When I first joined the company, I was very quiet—sitting at my desk doing my work, hoping to be recognized. Eventually, someone coached me to be more assertive. But when I started to do that, some colleagues said I wasn't acting like a 'Chinese gentleman.' It was hard for them to get used to my behavior."

Hsu, a founding member of the 4A, also serves as the chairman of the Asian-American Leadership Forum (AALF). The AALF, founded in January, serves as a link between the 4A and senior management, champ-

### A Global Resource

When AT&T has tapped into its Asian/Pacific-American community, the business results have been outstanding. For example, when AT&T China needed to recruit candidates for about 200 positions in several Chinese cities, it turned—with the help of Network Systems—to 4A. The request: employees with Chinese language skills, AT&T experience and insight into China's complex business system and culture. The result: an eight-member "swat team" that spent a summer in China finding the best candidates for AT&T's growing business there.

Korean-born Sang Rhee, managing director, Network Wireless Services, Korea, helped close a deal for a 250-cell site Autoplex system there when he was a supervisor at Bell Labs in 1988. Rhee was visiting his native land on vacation and learned through friends that the Korea Mobile Telecommunications Corp. was planning to build up the country's mobile telephone system. He set up a briefing, and AT&T eventually won the contract.

ions the professional and career development of the A/PAs in AT&T, and is a resource to 4A and AT&T senior management. Said Yuen, "Serving on the AALF is an opportunity to mentor and give something back to the A/PA community. It's not a matter of looking for someone else to address our concerns, but to help us develop ourselves and avail ourselves of more opportunities."

In spite of these gains, Gong and Kometani believe that too many A/PA employees choose to go elsewhere. This issue is among those being addressed by the Diversity Quality Council, a cross-functional team of business leaders, corporate managers and employee resource group leaders that oversees the efforts of six diverse teams working on the initiatives needed to implement AT&T's Diversity Strategy. As president of 4A, Gong is a member of the council.

For Kometani, who is the

4A's unofficial historian, there's a light at the end of the tunnel. "Over the years I've seen attitudes change," he said. "At one time, 95 percent of the people hated me for what I was. Today that number may be down to 5 percent. I think that's the same in dealing with diversity. When I first came to AT&T in 1956, 'cultural diversity' wasn't even a concept. But now, the majority of the people are well aware of diversity issues and want to do something about them." ■

May is Asian/Pacific-American Heritage Month—a celebration of the many contributions of Asian/Pacific-people to the world. Employees at AT&T have planned a number of activities to mark the occasion. Check local publications and bulletin boards for information about events in your area.

## BULLETIN BOARD

### EARN YOUR FITNESS RIBBON—

Total Life Concept is sponsoring AT&T's Health and Fitness Month for all employees in May. Many locations will be organizing events for associates to attend and earn ribbons. If your location doesn't provide an organized event activity, you can still earn your ribbon by showing your support of fitness. Just exercise for a minimum of 20 continuous minutes sometime during the month of May. For more information or your free ribbon, contact Norely Scott at 407-662-5595, or !norelyscott.

**LINK UP—**AT&T PersonaLink Services and Sony are offering a package discount to all AT&T people. You can

get a Sony Magic Link® communicator, memory card, rechargeable battery and one month of AT&T PersonaLink Services for only \$499.95. These items are valued at \$925 in retail stores, but you can order them at this 45 percent discount until May 31. Plus, you'll receive savings on other peripherals.

With Magic Link, you can communicate via "smart messaging"—handwritten, typed, voice annotated, graphical and animated messages to other PersonaLink Services users wherever they are, from wherever you are. And you can communicate with fax machines, pagers, and public and private messaging services, including the Internet. For more information or an order form, call 800-936-5465.



## Universal Card, Capital Show Growth

continued from page 1

via a conference call that AT&T used pooling-of-interests accounting treatment for the McCaw merger, meaning that last year's first-quarter results have been restated, as if AT&T and McCaw had always been one company.

Miller pointed out that gross margin for the quarter reached 41.3 percent, up from 40.7 percent a year ago. Improvement was driven by higher gross margins on telecommunications services, which more than offset declines in products and systems.

"Selling, general and administrative expenses were 26.1 percent of revenues versus 25.5 percent a year ago," Miller said. "Our operating margin remained flat at 10.6 percent while operating income improved 5.1 percent to \$1.9 billion, which is a first-quarter record."

Miller said that AT&T's wireless services business continued to expand at robust growth rates. For the quarter, wireless services revenues were up 30 percent. "We added more than 340,000 cellular customers during the quarter to bring our total subscribers to 4.4 million," said Miller.

Allen told reporters that

McCaw only a week before the annual meeting had begun to reap one of the merger's biggest benefits. "All of its operations here in Washington and in Oregon began using the powerful AT&T brand name," said Allen. "That's a big change, and it's a good one. And it's just the beginning, as the process rolls out across the country and is completed by the end of the year."

Miller reported that sales of network products increased 4.4 percent from the first quarter of 1994. The revenue increases came principally from wireless equipment sales and from the national markets group that sells to independent telephone companies, cable television companies and competitive access providers. "International sales gained at a strong double-digit growth rate, but domestic sales were down slightly," he said.

"This was a challenging quarter for AT&T Global Information Solutions (GIS)—one that traditionally is very seasonally weak," said Miller. GIS reported an operating loss of \$143 million for the quarter, compared with a \$57 million loss in the same period last

year. Total revenues for GIS, however, increased 19 percent over the first quarter of 1994. "Computer product sales led the revenue growth with gains of 28 percent, with sales of personal computers particularly strong," he said.

Miller said that AT&T Universal Card Services (UCS) receivables have now topped \$11.8 billion, an increase of \$2.8 billion in the last year. UCS has issued more than 23 million cards.

### Capital Corp. Results

Separately, AT&T Capital Corp. announced first-quarter 1995 net income of \$25.1 million, a 59 percent increase from the \$15.8 million reported for the same period in 1994. Earnings per share jumped 56 percent to \$0.53 for the first quarter of 1995, from \$0.34 for the first quarter of 1994.

"We are extremely pleased with AT&T Capital's latest financial results," said Tom Wajnert, the company's chairman and chief executive officer. "This demonstrates, on a very basic level, the company's ongoing ability to build and grow the business profitably. But just as important is our unwavering commitment to plan for the long term and our ability to seize select market opportunities." ■

## Continental Airlines Deploys ATM Ticket Machines from GIS



Steve Cossette, Continental Airlines, Houston, shows how fast and easy it is to select a seat, make flight reservations or get a boarding pass from the automated E-Ticket system.

BY COLLINS YEARWOOD

FOR TRAVELERS FLYING ON Continental Airlines, getting boarding passes will be as fast and easy as withdrawing money from a cash machine, thanks to an automated system called E-Ticket.

Based on the same technology developed by AT&T Global Information Solutions (GIS) for its automated teller machines (ATM), E-Ticket will expedite airport check-in procedures by

eliminating the need to wait in line to purchase a ticket, secure a boarding pass or get a seat assignment. Instead, travelers with or without reservations can go to E-Ticket machines located at the airline's ticket counters and gates, and check in using a credit card.

Using a touch-screen menu, travelers can request a boarding pass, select or change a seat assignment, input a frequent-flyer number, and change or

book flights. E-Ticket machines also can generate luggage tags for customers who have bags to check. Initially, Continental will use the E-Ticket system on flights between Houston and three cities—San Antonio, Dallas, and New Orleans—and plans to begin expanding their use nationwide this summer.

"Travelers have grown very comfortable with self-service systems because of the explosive growth of ATM machines," said Michael Denny, area vice president, Transportation Solutions, GIS. "This creates the ideal market conditions for airline electronic ticketing, which employs similar technology."

The E-Ticket machine was developed by GIS in cooperation with Continental and EDS. "E-Ticket will save us millions of dollars in annual expenses by streamlining passenger document processing, reducing costs for ticket stock, refunds or reissues, reducing fraud, and improving accuracy and timeliness of accounting and credit systems," said Steve Cossette, director, Distribution Planning, Continental Airlines.

"We looked at a large number of vendors and AT&T was the most price competitive, had the most experience and had the

most reliable hardware. It was a matter of cost, reliability and experience. And we went with the best."

Meanwhile, Delta Airlines announced it will expand its test of ticketless travel using the AT&T Smart Card. Delta Airlines, following a successful trial of the smart cards with a select group of frequent flyers, plans to expand the test within the next few months to some 5,000 frequent flyers on shuttles between New

York and Boston, and between New York and Washington, D.C.

In the Delta Shuttle trial, the AT&T Smart Card can indicate whether a customer prefers an aisle or window seat, and which credit card he or she would like billed. More important, Delta Shuttle flyers can save time by going straight to their gate, inserting their AT&T Smart Card into a reader and getting their boarding passes—all within a matter of seconds. ■

## LETTERS

### EQUAL OPPORTUNITY

I read with great interest "Take Our Daughters to Work Day" (April). Excellent idea. Being a father of two young men I again wait for the equal opportunity that I'm sure will someday be afforded to my children. I especially enjoyed the statement, "Organizers point out that boys in the same age group are welcome at work that day; however, the event is primarily geared to girls." What does that sound like to you? Please don't tell me that this type of event is supposed to make up for years of discrimination against girls. I am aware that gender discrimination does exist. However, my children do not, to the best of my knowledge, participate in that discrimination—never have, and hopefully never will. Something tells me I will be waiting a long time for "Take Our Sons to Work Day."

JACK RITOLI, LOS ANGELES

### MORE THAN A MICROPHONE

Regarding "CP's Directional Microphone Allows Computers to 'Hear,' Act" (April), I believe the need for accurate voice recognition software is understated. The article leads one to believe that it's predominantly the SDM1100 microphone that gives the user the dialing accuracy. It's my understanding that any microphone serves as a front-end filter for the voice recognition software. The voice recognition algorithm employed by the PC has as much, if not more, affect on the accuracy of the PC-based system.

STEVE RICHARDSON, HOLMDEL, N.J.

### FAX FACTS

With all due respect to the abilities of AT&T, I am not sure that your story on the first commercial fax (April) is accurate. According to an article in the February 1993, *IEEE Spectrum*, the first commercial fax was from Paris to Lyons, France, in 1865. A service linking Berlin, London and Paris in 1911 is also noted. AT&T is listed as but one of the companies operating fax services in the 1920s.

GREG MUNIE, NAPERVILLE, ILL.

[Ed. note: There were several attempts in Europe to establish commercial facsimile service before AT&T introduced its service in 1924, but the title of the article you cited is "Facsimile's False Starts." No service introduced prior to AT&T's was commercially successful; AT&T's service operated in its original form for a decade, until a new generation of technology made it feasible to install the equipment on the customers' premises, and AT&T was able to offer facsimile transmission in conditions similar to those of its core telephone business.]

### VIDEO PHONE DONATION

I was truly touched by AT&T's donation of the VideoPhones to bone marrow transplant hospitals and cancer treatment centers (March). For the patients to be able to talk to and see their loved ones would certainly help them get through the difficult treatment and separation from their families. The phones, I'm sure, will help to expedite their recovery by being able to communicate with their loved ones at a time when they need them the most. It makes me proud to work for a company as generous as AT&T, who doesn't hesitate to give back to the community when there is a need. I really appreciate *AT&T News* for keeping us up to date on all the happenings within the company.

LISA FLORENCE, JACKSONVILLE, FLA.





Aloise McNichols' quick action on Interstate 85 near Atlanta helped save a man's life.

## Atlanta's McNichols Aids Victim, Wins Vail

BY TOM LANDERS

EVERYTHING ABOUT ALOISE Greathouse McNichols' morning commute to her office in Atlanta was normal on Jan. 14, 1994. Until she came across a disabled car that had struck a retaining wall and stopped crosswise in two lanes of I-85, just north of downtown.

Later, describing her actions, McNichols said, "Sometimes you just know what is right and do it without further thought." McNichols, district manager, Human Resources, did something no other driver to that point had bothered to do. She stopped her car and ran through traffic to help the driver, a man who appeared to be unconscious.

She observed that he was cold, though he was perspiring, and appeared to be in shock. As she had been taught in a basic first-aid class at work, McNichols checked the man's breathing and pulse, and observed his pupils for dilation. She covered him with her coat, and loosened his tie and shirt collar to facilitate his breathing.

Sensing that the victim was in serious danger, McNichols ran back through traffic to call 911 on her cellular phone. She returned to the man's car and noticed a medical necklace identifying him as a diabetic. McNichols looked around the car for insulin, or for any indicators that he had taken insulin that morning. While doing that, she found his business card and, returning to her car, called the man's office and obtained his home telephone number. She called his home, but reached an answering machine.

By then, another motorist had stopped to help, and he and

McNichols pushed the vehicle off the highway. They discovered the car had a flat and changed it. Although McNichols had placed two calls to 911, she had to flag down an ambulance that happened upon the scene.

Because the car contained some computer equipment, she and the other Good Samaritan decided to drive it to the hospital. There, emergency personnel determined that the man had a dangerously low body temperature, and that if he had been left unattended on the highway much longer he probably would not have survived. They credited McNichols' quick and effective actions with helping to save the man's life.

For risking personal injury to herself in coming to the man's aid, McNichols received a Bronze Vail Medal in mid-April. The award includes a framed citation and a \$5,000 check.

In a separate incident, Ron Lamothe, field service manager, AT&T Global Business Communications Systems (GBCS), Mansfield, Mass., won a Vail Merit Citation and \$1,000 for his valiant efforts in saving a 3-year-old girl on Jan. 6, 1995.

Lamothe and GBCS services manager Vin Campbell were on their way to lunch when they came upon the girl's mother frantically pulling the child out of a car seat. Lamothe turned the girl over and noticed that she had no heartbeat and was turning blue. He began performing the Heimlich Maneuver. On the second try, Lamothe was able to dislodge a chunk of banana that the girl was choking on. Meanwhile, Campbell used the car phone to call 911. The child was taken to the hospital, examined and later released. ■

## Philips' Nyberg Will Head Global Information Solutions

CHAIRMAN BOB ALLEN named Lars Nyberg as chairman and CEO of AT&T Global Information Solutions (GIS), effective June 1. Nyberg currently is chairman and CEO of the Communications Systems division of Philips Electronics NV and a member of the Philips Group Management Committee. A native of Sweden, Nyberg succeeds Jerre Stead, who resigned from the company in January to join Legent Corp.

In his 20-year career at Philips, Nyberg has held a variety of international sales, operations and managerial jobs in the company's Data Systems and Communications Systems divisions, working in the United Kingdom, Holland and Sweden.

"I am delighted that Lars is joining the AT&T team to head up GIS," said Allen. "With his strong expertise and proven success in the computer industry and his broad international background, Lars is well-suited to lead AT&T's computer business and a welcome addition to my senior management team." Nyberg will become a member of the Management Executive Committee and the Global Operations Team.

"Under Lars' leadership and with a sound strategy and strong

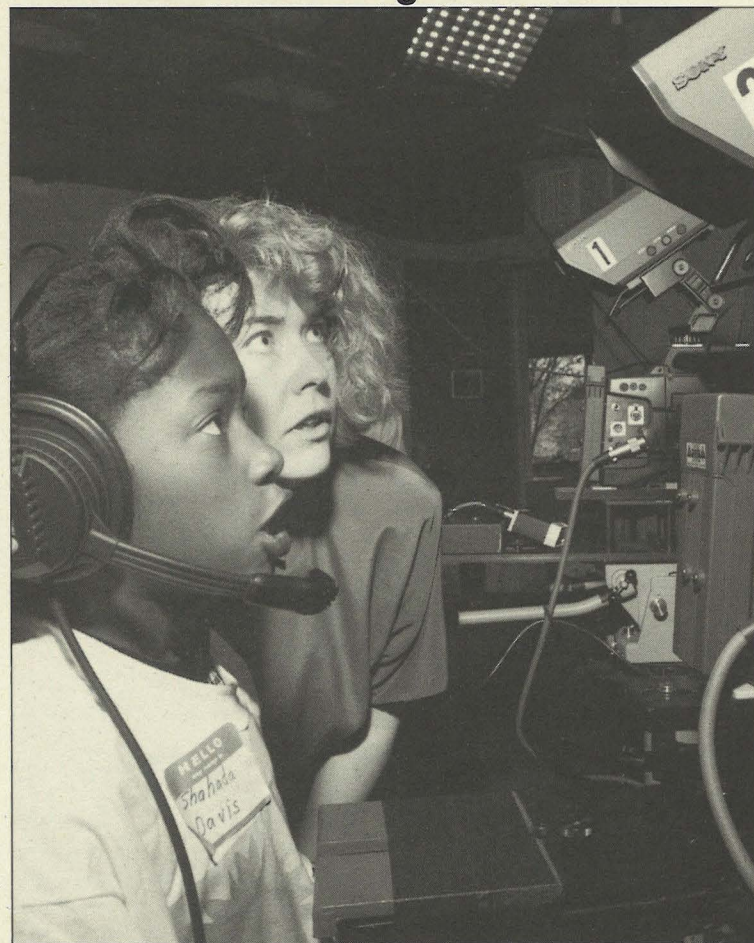
team in place, I believe GIS can meet the challenges it faces and make a valuable contribution to AT&T," Allen said. He said AT&T is well-positioned to be a leader in the fast-growing "customer information solution" segment of the computer industry, which focuses on helping businesses better use information technology to know and serve their customers.

"I am very pleased to be joining AT&T to take on this challenging opportunity," Nyberg said. "I believe AT&T's computer business has the necessary ingredients for success. I look forward to working with my new team to build on our strengths—including a strong global market position and customer base and highly skilled people—to the benefit of AT&T."

Allen thanked Bill O'Shea for providing strong interim leadership to GIS since Stead's departure. O'Shea will resume his role as senior vice president, worldwide marketing.

"Bill accepted the challenge of heading an organization during its significant transformation to a customer-focused business model. He has advanced that customer-focused model and the GIS business, and has lived Our Common Bond values while doing it," said Allen. ■

## We Took Our Daughters to Work



Shahada Davis, left, takes part in the third annual "Take Our Daughters to Work Day," April 27. Davis, one of several thousand children to participate in AT&T's programs across the country, learns about the Global Business Communications Systems (GBCS) National Training Center in Denver from Catherine Work, Business Television Network coordinator. Shahada is the daughter of Sandra Davis, district manager, Provisioning Training, GBCS.



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# SPECIAL REPORT

## The Environment

EVEN AS AT&T CELEBRATED its success in meeting the environmental goals it set five years ago, the company announced a new set of goals that represent an even greater stretch in the greening of the company.

AT&T presented the goals for 2000 to shareowners at the 1995 Annual Meeting in Seattle. Chairman Bob Allen told the audience, "Our record on the environment is one of ambitious promises made, and ambitious promises kept. We've already met the goals we set for ourselves in 1990 ... now, in the true spirit of quality, we've raised the bar and adopted a new set of stretch goals for environment and safety for 2000."

### Goals for 2000

The goals commit AT&T to sustaining the success it has had in eliminating chlorofluorocarbons (CFCs), reducing manufacturing waste disposal, and reducing reportable air emissions, as AT&T adds new operations and grows globally, and they challenge the company to:

- **PUT IN PLACE** internationally recognized environment and safety management systems for at least 95 percent of the company's products, services, operations and facilities.
- **ENSURE THAT AT LEAST** 95 percent of AT&T's services, operations and facilities meet the rigorous criteria of AT&T's Model Safety Program.
- **DEVELOP AND APPLY** Design for Environment (DFE) criteria to provide competitive, environmentally preferable products and services.
- **IMPROVE THE ENERGY EFFICIENCY** of AT&T's operations, avoiding what would otherwise be the emission of at least 500,000 metric tons of greenhouse gases.
- **RECYCLE AT LEAST** 70 percent of the company's waste paper.

To achieve these goals, AT&T is committed to using quality policy deployment and methodologies. In addition, the company will work to engage employees in addressing environmental and safety issues in the workplace and to recognize their environmental achievements at work and in their communities.

Established by a team of representatives from each of

AT&T's business units and divisions, the goals are designed to preserve AT&T's environmental leadership position in the United States and to ensure that the company is ready to meet environmental regulations set by other countries in which we do business.

"These new goals make it imperative that environmental considerations become part of every business unit's planning and development processes," said John Borum, Environmental and Safety Engineering vice president. "Using quality policy deployment and methodologies will enable the business units to do what is necessary to help AT&T achieve these goals."

"At the same time," he added, "everyone in AT&T, beginning with the chairman, knows how important environmental protection is and what a critical role a company the size and scope of AT&T plays. We intend to do our part—and more—because a clean, safe environment benefits us all."

In striving to meet the challenge of reaching these goals by the dawn of the new century, Borum said, "AT&T knows

percent since 1987. AT&T accomplished this feat by throwing away less and reusing materials more.

Paper also plays a big role in AT&T's environmental efforts. The company set a goal of recycling 60 percent of its paper by the end of 1994 and reducing overall paper use by 15 percent. Again, AT&T surpassed expectations: By year-end 1994, the company was recycling 65 percent of waste paper and had reduced paper use by 29 percent.

Equally important is AT&T's commitment to safety. AT&T pledged that by the end of 1995, 100 percent of its eligible factories would participate in the OSHA VPP (Occupational Safety and Health Administration Voluntary Protection Program). In 1994, all eligible AT&T factories that submitted applications to the OSHA VPP (24 percent) were accepted in the program.

"Every employee should feel good about these results and about AT&T's new goals that really raise the bar on our environmental performance and challenge each of us to keep doing more to protect the environment and ensure our own personal health and safety," Borum said. **SR**

it can rely on its employees to show the same determination and commitment that enabled the company to achieve its five-year goals, in most cases, ahead of schedule."

### Goals Surpassed

To begin with, AT&T set a goal of eliminating the use of ozone-damaging CFCs by the end of 1994. The company achieved this goal in early 1993. CFCs no longer are part of AT&T's manufacturing processes. Instead, extracts from orange peels and cantaloupes are the new, natural cleaning solvents.

AT&T also pledged to reduce reportable air emissions 95 percent by year-end 1995. Today, reportable air emissions are 96 percent lower than in 1987, thanks to employees' efforts to eliminate harmful substances from factory operations.

Another goal called for AT&T to decrease manufacturing process waste disposal 25 percent by the end of 1994. The company far surpassed its target by decreasing manufacturing waste disposal by 66



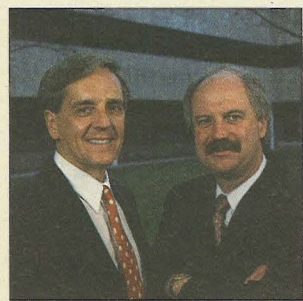
## Going for the Green



Hundreds of employees have helped AT&T meet its environmental goals, from recycling paper in the office to eliminating CFCs from the manufacturing process. The efforts of the eleven individuals and teams recognized here for their contributions to the business or communities were selected from two hundred AT&T projects by Renew America, a non-profit environmental organization.

## Workplace Champions

### Printing Bills On Recycled Paper



Stan Turon and Charlie Scott

NEVER UNDERESTIMATE the power of teamwork. More than 19,300 trees have been saved each year for the past two years thanks to the efforts of a 23-member team of AT&T employees from five states in several business units.

Their objective seemed simple enough: print AT&T Consumer Product's 150 million pages of bills on recycled paper instead of virgin paper. However, they discovered it's not as easy as substituting one product for another.

Virgin paper quality is different from recycled paper, so several varieties of recycled paper had to be tested with the automated bill page insertion and remittance scanning equipment to see which variety would hold up. Pigmentation in the recycled paper affected the postal bar code reading, so again, more tests were needed. But the team was determined to overcome each hurdle and worked four months to produce a bill and mailing and return envelopes printed on recycled paper.

"We saw it as just a part of doing business in the

best way we could," said team member Stan Turon, systems analyst, CIO organization, Consumer Products, Parsippany, N.J.

### A Systems Approach To the Environmental Impact of Electronics Manufacture

ATTACKING ALL MAJOR sources of pollution at every stage of the game was the key in significantly reducing the environmental impact of the assembly of AT&T Network Systems Group's 5ESS switch in Oklahoma City. Working as a team, AT&T manufacturing and environmental engineers, product designers and AT&T Bell Laboratories researchers found numerous ways to reduce air, water and waste pollution.

"We all played different roles, but had the same goal," said the team's design member, Greg Munie, distinguished member of technical staff, Network Systems. Their accomplishments included eliminating the use of Freon in the air conditioning system and solvents in the cleaning process. A recycling process was put into place for everything from plastic containers and used equipment to metal part trimmings from the assembly line.

"Right now we are working with an established product," says Munie. "Our goal is to make environmental considerations part of the process at product conception."

### The 4 Rs

"WASTE NOT, WANT not," could be the motto of AT&T Pioneer Administrator Edward Paitl and volunteers from the Hawthorne Chapter of the Telephone Pioneers of America. Thanks to their efforts, thousands of used binders, computers, telephones, floppy disks and hanging files were not only saved from overcrowded landfills, but restored and

donated to area schools and charities.

The project, called "The 4 Rs" to represent the rescue-refurbish-recycle-reuse process, would not have been possible without the help of AT&T employees in 11 locations in the Lisle and Naperville areas in Illinois, explains Paitl. "Their involvement allowed us to rescue the materials and get them into the community," he said.

"A lot of planning, space, and good people," are what Paitl recommends to other AT&T people interested in starting a similar project.

### Restoring The Prairie

SPRING ARRIVES AT AT&T's Indian Hill Main facility in Lisle, Ill., in a 48-acre burst of color, thanks to Alan Bonanno and his environmental team.

The goal was to eliminate the use of chemicals—pesticides, weed killers and fertilizers—on the campus lawn. The team, which included Mary Ellyne



Alan Bonanno

Snyder and Harold Schessler, discovered that the best solution was to convert the grounds to native prairie flowers and grasses. The environmental, economic and aesthetic benefits are countless.

"We've planted between 100 and 200 different flowers and grasses here that bloom from early spring through late fall," explained Bonanno, a communications planner, AT&T Network Systems. "The maintenance is practically zero, and in five years, AT&T will save \$1 million in those costs."

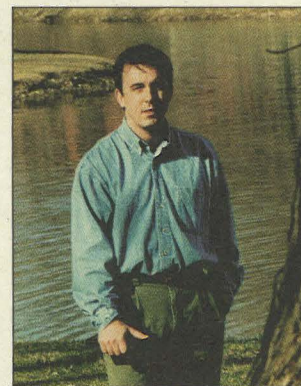
Not only does the prairie attract more wildlife, such as birds, butterflies, rabbits and squirrels, but, according to Bonanno, even the local residents are drawn by its beauty. "People drive by just to look at the flowers and even have had their wedding pictures taken in our prairie."

### Designed To Be "Green"

HOW DO YOU DESIGN an environmentally responsible image processor?

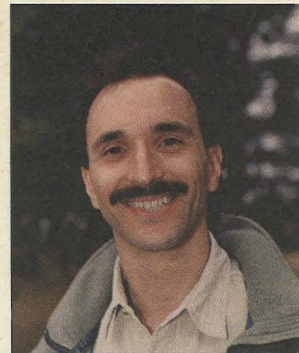
AT&T Global Information Solutions (GIS) teammates Alistair Hamilton, industrial designer, and James Michael, mechanical design engineer, simply attacked each detail of the product and made it green.

The AT&T 7731 Image Processor represents GIS's first attempt to develop and integrate design for the environment (DFE) techniques into a highly complex product. The result



Alistair Hamilton

was a product that makes good business and environmental sense. Among the product's many environment-friendly features are



James Michael

materials that can be easily sorted and recycled, packing materials that are CFC-free and easily recyclable, and a user's manual printed on 100 percent post-consumer paper—the most environmentally safe paper available today. In addition, the environmental design has been a good sales tool in the European market, giving GIS an edge over the competition.

According to Hamilton, successfully developing DFE products is a matter of conscience. "There's a lot we can do to bring about environmental change," he said. "I see this as merely scratching the surface."





# Community Champions

## Planet Protectors

SUPERMAN AND WONDER Woman can take a break. The Planet Protectors, a team of employee

Earth from destruction.

The 14-member team started working together on internal recycling programs in 1991. Reaching out to the community through environmental programs seemed like a logical step in their mission to reduce area landfills.

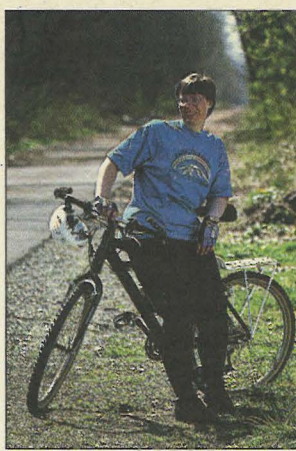
The Planet Protectors use creative educational

clinging problems. "Trash to Treasures" awards prizes to elementary school students who create art from trash. City clean-ups and other projects also work to involve and educate the entire community.

"These projects give AT&T a chance to share something that is of interest to everyone," says Marilyn May, recycling specialist, Power Systems, and Planet Protectors team leader. "Everyone deserves a nice place to live."

## Foothills Rails To Trails

CARLA GRAMLICH likes to joke she got "rail-roaded" into serving on the board of Foothills Rails to Trails, a coalition of Tacoma, Wash.-area citizens working to convert old railroad tracks into a community park trail. But the volunteer work is a natural fit for Gramlich, an avid cyclist who commutes by bike to her job as an AT&T Network Services



Carla Gramlich

Division communications technician—a six-mile round trip made even more challenging by her 11 p.m. to 7 a.m. night shift.

Although she got involved in the group to represent cyclists' interests, Gramlich says she is happy to see the other benefits of her work. The trail will help preserve a greenbelt for plants and animals. It also will open an avenue for other non-motorized commuting, including walking and horseback riding. Wheelchair access will open the area for everyone. "We're making it a park for future generations," says Gramlich.

## Woodsy Owl Goes to School

WOODSY OWL, THE National Association for State Foresters' anti-pollution mascot, is practically a household name in parts of Pennsylvania thanks to a group of AT&T Microelectronics employees. Members of the AT&T Berks-Lehigh Chapter of the Telephone Pioneers of America take turns climbing into the large, green owl costume to visit area schools, parks and playgrounds. In addition to asking the children to "give a hoot, don't pollute," Woodsy Owl and his AT&T Pioneer escorts supply their audiences with specific information about how they can prevent pollution.

"There is no more perfect place to start environmental education than with children," says Tony Wladyka, manager, Community Resources, Cor-

porate Human Resources, and administrator, Berks-Lehigh Pioneer Chapter. "What they learn now will stay with them through adulthood."

## Summer in the Sun

Recognizing that Denver prides itself on its natural beauty, the headquarters staff members of the Telephone Pioneers of America wanted to do their part in making sure the environment in and around the city was as pristine and welcoming as possible. Their answer was a project called "Summer in the Sun." Together, they select one day each summer to do an intensive environmental cleanup.

Last summer, the staff tackled Cherry Creek, a popular park path in downtown Denver. Two summers ago the group focused on Wilderness on Wheels, a park designed for people with disabilities. Sue Saunders, director of information, Telephone Pioneers of America and team leader of the 10-member group, points out that this type of project has benefits beyond the community. "It's a marvelous team-building activity too," she says.

## Schiff Reservation Preservation

SPARKED BY THE CONCERNS of high school students he worked with as an environmental club advisor, Rich Largman took a



Schiff Reservation Preservation volunteers

leave of absence from his job as a staff supervisor in AT&T Consumer Communications Services in

Basking Ridge, to devote his energies full time to environmental interests.

"The students' desires to do something to protect the environment echoed my own," says Largman. He found out about plans to build a high-density housing development on 500 acres of wetlands, forests, meadows and streams in New Jersey's Mendham Township and knew he had to get involved. As vice president, Schiff Reservation Preservation Inc., Largman and other volunteers are now working on a plan to purchase and preserve the land.

Getting involved in a cause at the grassroots level is probably the most important thing anyone can do, according to Largman. "There is so much that can be accomplished by 'regular' people," he says.

## Environmental Seedling Program

TODAY, CLOSE TO 1.2 million trees are growing in the United States that would not have been here without the help of the Telephone Pioneers of America. In 1990, AT&T Pioneers joined forces with other Pioneers across the country to commemorate the 20th anniversary of Earth Day by planting one tree seedling for each of the 800,000 members of the Telephone Pioneers of America. By year's end, the Environmental Seedling Program had far exceeded its goal, with enough trees to fill nearly 30 square miles.

"We made it a point to plant some of the trees in municipal areas and school yards to increase environmental awareness and education among young people and community leaders," explains Fred Hampton, AT&T Pioneering operations director, Morristown, N.J. "This activity also became the seed for hundreds of other environmental projects that are going on today." **SR**



Planet Protectors team members

volunteers with AT&T Microelectronics Power Systems in Mesquite, Texas, are making a lot of headway in saving the

programs to target youth. "Solutions for the Earth" gives eighth grade students an opportunity to think of their own answers to recy-





# The Road to a Greener Future



Leading AT&T's environmental efforts, from left, John Borum, Ed McKeever and Larry Seifert.

BRAD ALLENBY AND Ed McKeever couldn't look more different or think more alike—especially on environmental issues.

Allenby, bearded and in cowboy boots, and McKeever, usually conservatively dressed, obviously have different tastes but they share the same commitment: ensuring that AT&T remains a leader in environmental safety and health protection. To this end, both men are spearheading programs that will help AT&T achieve its bold new set of environmental goals by the beginning of the next century.

Through a concept called design for environment (DFE), Allenby, research vice president, Technology and Environment, is introducing AT&T managers to what he calls an "evolutionary as well as revolutionary" approach to protecting the environment.

McKeever, vice president-Environmental Law and Compliance is charged with the more conventional but very critical task of making sure that AT&T is in strict compliance with environmental, safety and health regulations governing AT&T's worldwide operations.

Leading the company's environmental charge is John Borum, Environmental and Safety Engineering vice president. Borum is jointly supported by McKeever and Larry Seifert, vice president, Global Manufacturing and Engineering.

"Without a doubt, these

two efforts are at the center of AT&T's environmental program," Borum says. "They each take different paths, but they meet in the same place: a cleaner, safer environment and a more efficient, effective AT&T."

## Design for Environment

AT&T's industrial ecology team believes in life after death—for products, that is.

Allenby leads a team, that is at the forefront of an emerging discipline known as industrial ecology or design for environment. DFE looks at each product and process through its entire lifecycle—from birth to rebirth—in an effort to reduce or eliminate its impact on the environment.

"I like to think of it as a 'cradle to reincarnation' instead of 'cradle to grave' approach that enables us to anticipate any environmental problems a product might cause, engineer them out of the process from the beginning, then find ways to reuse a product or its parts," Allenby says.

DFE puts AT&T on the edge of environmental concern and can be a key differentiating factor for customers when they consider purchasing products and services from AT&T.

"Although still in its infancy," notes Borum, "DFE holds great promise, and I believe it is the key to the company's success in meeting its commitment to environmental protection well into the 21st century. Putting DFE practices to work is, in fact, one of

our new environmental goals."

## Promoting Ecology

As part of AT&T's effort to promote industrial ecology, the AT&T Foundation funds environmental fellowships and programs in the field. The aim of AT&T's industrial ecology grants is two-fold: to help educate a new generation of leaders in the field and to provide opportunities to define and focus research activities.

As DFE's ambassador both inside and outside AT&T, Allenby travels extensively, speaking to companies and environmental groups on industrial ecology. He and fellow Bell Laboratories researcher Tom Graedel have written an authoritative textbook on industrial ecology that is the first of its kind on campuses and bookshelves.

## Compliance

Ask Ed McKeever how a company with 330,000 people working in 8,000 facilities around the world can ensure complete regulatory compliance, and he says quietly, "It's difficult, but doable."

"During the past decade, internal and external forces have made compliance more challenging," McKeever says. "First, AT&T went through dramatic internal changes, beginning with divestiture and including several reorganizations and mergers."

"At the same time, environmental laws are changing and expanding, and enforcement is being stepped up."

Add to this AT&T's increasing global presence. AT&T operates in roughly 100 countries and must comply with in-country environmental regulations that often are far more stringent than those in the United States.

That's not to say, though, that AT&T isn't doing a good job of complying with environmental laws today. "AT&T is and will always be a responsible company," McKeever says. "That is part of our culture and our history, and will never change."

To help managers comply with environmental and safety laws in practice and in spirit, AT&T has established a shared accountability board that includes representatives from the Law Division and across the business units and divisions.

McKeever's role is to oversee company compliance with environmental, health and safety regulations worldwide and to develop principles, standards and procedures as part of the compliance program.

McKeever has set both long- and short-term goals for AT&T's compliance efforts. "Our ultimate objective," he explains, "is to integrate environmental, health and safety concerns

into AT&T's core business functions.

"Our immediate task is to remedy any gaps we find in compliance, consolidate all EH&S organizations into a cohesive team, and, where necessary, to re-engineer compliance programs to meet new operational requirements."

Specifically, in January 1995, a Compliance Realization Project was launched to do a comprehensive assessment of 15 separate EH&S programs across AT&T, looking for ways to increase their efficiency.

## Achieving Goals

"The Compliance Realization Project is key because it will help us determine the organizational structure and environmental management systems AT&T will need to meet our compliance requirements and to achieve our goals for 2000," Seifert says.

Borum, McKeever and Seifert emphasize that to ensure compliance, the company will need the support and commitment of every employee. They believe that everyone has an obligation to understand what rules and regulations govern his or her work. **SR**



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## Protecting the Environment

We asked environmental experts what they would recommend to someone who wanted to do at least one thing to help protect the environment. Here's what they said:

The progress we have made in environmental protection is a result of millions of individual Americans taking action. One of the best examples is recycling. A quarter century ago beer cans, boxes and other litter lined the sides of our roads. Today there are recycling programs in more than 5,000 communities across the country. Recycling saves energy, cuts waste going to landfills, creates jobs in our cities, and is something everyone can do.

— Al Gore, vice president of the United States and author of *Earth in the Balance*

If you are involved in a school, neighborhood, community or business program that helps the environment, share your success with others. Encourage your neighbors and friends to become actively involved in protecting the environment by demonstrating to them that it can be done.

— Debbie Sliter, executive director, Renew America

As consumers, each person should let merchants know that they want to buy environmentally responsible products. They should demand clear, accessible information about the products they buy, and patronize the products that are environmentally superior. They should vote with their dollars for environmental responsibility.

— Michael McCloskey, chairman, Sierra Club

My work centers around the "garbage problem." I would encourage people to think about what happens to the things they use, after they use them. Take used batteries, newspapers, glass and aluminum to be recycled.

— Dr. Robert Frosch, director, Harvard Project on Public Policy for Industrial Ecology